

lib

H. G. YOUNG
MINES LIMITED

1968
ANNUAL REPORT

THE ANNUAL MEETING WILL BE HELD ON THURSDAY,
JUNE 5th, 1969, AT 2:00 P.M., TORONTO TIME, AT
SUITE 705, 105 ADELAIDE ST. W., TORONTO, ONTARIO

H. G. YOUNG MINES LIMITED

OFFICERS W. H. MAEDEL - - - - - President

J. D. STREIT - - - - - Vice-President

M. K. COFFIN - - - Secretary-Treasurer

DIRECTORS H. F. BROWNBILL

M. K. COFFIN

J. M. GODFREY, Q.C.

B. W. LANG

W. H. MAEDEL

J. B. STREIT

J. D. STREIT

TRANSFER AGENT CROWN TRUST COMPANY
AND REGISTRAR TORONTO, CANADA

BANKERS CANADIAN IMPERIAL BANK OF COMMERCE
TORONTO, CANADA

HEAD OFFICE 105 ADELAIDE ST. WEST, TORONTO, ONTARIO

Report of the Directors

To the Shareholders:

The Annual Report of the Company for the year ended December 31, 1968 is presented herewith.

Working capital at year-end was \$81,792 compared to \$99,747 at the end of 1967.

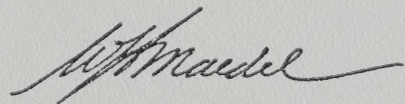
Surface exploration was carried out during the past year on two groups of claims in the Gogama area of Ontario. These claims were staked in the fall of 1967 following a uranium discovery in the vicinity. Geological mapping of the ground traced several pegmatite and syenite dykes; however, no significant radioactivity was detected in the follow-up scintillometer work. As results did not justify further exploration the claims were allowed to lapse.

During 1968 the Company participated in an exploration project for silver deposits in the Cobalt area of Ontario. The work was carried out on a group of 22 mining leases and claims to explore the Cobalt Series sediments beneath a diabase arch formation. Diamond drilling commenced in March and continued through December in three stages, during the course of which 18 holes totalling approximately 15,000 feet of drilling were completed. Good thicknesses of the favourable sediments were cut and interesting silver values were encountered. Unfortunately, concentrations of silver veins sufficient to indicate an economic deposit could not be established, therefore the project was terminated at the end of the year.

The Company retains its former gold-producing property in the Red Lake area and most of the equipment comprising its milling plant.

Management continues to search for promising mineral prospects.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read 'H. G. Young', written in a cursive style.

President.

May 2, 1969.

H. G. YOUNG MINES LIMITED

(Incorporated under The Ontario Corporations Act)

Balance Sheet as at December 31, 1968

(with comparative figures for 1967)

ASSETS		1968	1967
CURRENT			
Cash and short term deposits		\$ 80,025	\$ 8,746
Government of Canada treasury bills — at cost		—	69,115
Accounts receivable		1,903	22,225
Prepaid insurance		365	519
		<u>82,293</u>	<u>100,605</u>
FIXED — at cost (Note 1)			
Mining properties	\$ 164,555		
Buildings and equipment	296,832		
		<u>461,387</u>	<u>463,596</u>
OTHER			
Deferred development and administrative expenses (Note 1)		1,179,502	1,179,502
		<u>\$1,723,182</u>	<u>\$1,743,703</u>

LIABILITIES		1968	1967
CURRENT			
Accounts payable and accrued charges		\$ 501	\$ 858

SHAREHOLDERS' EQUITY		1968	1967
CAPITAL STOCK (Notes 2 and 3)			
Authorized			
7,000,000 shares at a par value of \$1.00 each			
Issued and fully paid			
5,296,485 shares	\$5,296,485		
Less discount thereon	3,368,860		
		<u>\$1,927,625</u>	<u>1,927,625</u>
Deficit, per statement attached	204,944		184,780
		<u>1,722,681</u>	<u>1,742,845</u>
		<u>\$1,723,182</u>	<u>\$1,743,703</u>

On behalf of the Board:

"W. H. MAEDEL", Director.

"J. M. GODFREY", Director.

H. G. YOUNG MINES LIMITED

Statement of Expenses

FOR THE YEAR ENDED DECEMBER 31, 1968
(with comparative figures for 1967)

	1968	1967
Mine expenses	\$ 6,443	\$ 6,298
Exploration expenses	9,766	—
Head office expenses	6,273	5,316
Total expenses	22,482	11,614
Interest income	4,527	3,494
Net expenses for the year (Note 1)	<u>\$ 17,955</u>	<u>\$ 8,120</u>

Statement of Deficit

FOR THE YEAR ENDED DECEMBER 31, 1968
(with comparative figures for 1967)

	1968	1967
Deficit, January 1	\$ 184,780	\$ 176,660
Mining properties written off	2,209	—
Expenses for the year	17,955	8,120
Deficit, December 31	<u>\$ 204,944</u>	<u>\$ 184,780</u>

H. G. YOUNG MINES LIMITED

Statement of Source and Application of Funds

FOR THE YEAR ENDED DECEMBER 31, 1968

(with comparative figures for 1967)

	1968	1967
Working capital — January 1	\$ 99,747	\$ 82,426
SOURCE OF FUNDS		
Proceeds of disposals of equipment	—	27,650
	<u>99,747</u>	<u>110,076</u>
APPLICATION OF FUNDS		
Net expenses for the year	17,955	8,120
Mining properties acquired	—	2,209
	<u>17,955</u>	<u>10,329</u>
Working capital — December 31	<u>\$ 81,792</u>	<u>\$ 99,747</u>

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 1968

1. As in previous years, no provision has been made in the accounts for depreciation of fixed assets and amortization of deferred development and administrative expenses.
2. At December 31, 1968, 350,000 shares of the company's issued stock were held in escrow subject to release by the Ontario Securities Commission, the Manitoba Municipal and Public Utility Board and the Toronto Stock Exchange.
3. Options on 100,000 shares at 15 cents per share were outstanding on the company's capital stock at December 31, 1968.

AUDITORS' REPORT

The Shareholders,
H. G. Young Mines Limited.

We have examined the balance sheet of H. G. Young Mines Limited as at December 31, 1968 and the statements of expenses and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Fixed assets are carried at cost and, as in previous years, no provision has been made for depreciation nor for amortization of deferred development and administrative expenses.

Subject to the foregoing, in our opinion these financial statements present fairly the financial position of the company as at December 31, 1968 and the results of its operations and source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
January 14, 1969.

TOUCHE, ROSS, BAILEY & SMART
Chartered Accountants.

